

**YTL POWER INTERNATIONAL BERHAD**  
Company No. 406684-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 June 2019**

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**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial year ended 30 June 2019.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2018 RM'000 (Restated)	12 MONTHS ENDED	
			30.6.2019 RM'000	30.6.2018 RM'000 (Restated)
Revenue	3,058,719	2,807,342	11,677,077	10,605,950
Cost of sales	(2,524,107)	(2,091,115)	(9,652,226)	(8,300,494)
Gross profit	534,612	716,227	2,024,851	2,305,456
Other operating income	84,792	8,689	143,155	41,187
Other operating expenses	(165,614)	(280,254)	(688,308)	(733,248)
Profit from operations	453,790	444,662	1,479,698	1,613,395
Finance costs	(279,982)	(265,801)	(1,130,885)	(1,077,502)
Share of profits of investments accounted for using the equity method	72,814	103,359	384,878	404,703
<b>Profit before taxation</b>	246,622	282,220	733,691	940,596
Taxation	(49,840)	(49,374)	(145,881)	(222,268)
<b>Profit for the period/year</b>	196,782	232,846	587,810	718,328
<b>Attributable to:</b>				
Owners of the parent	150,155	205,694	459,479	619,686
Non-controlling interests	46,627	27,152	128,331	98,642
	196,782	232,846	587,810	718,328
<b>Earnings per share for profit attributable to owners of the parent</b>				
Basic (sen)	1.96	2.60	5.98	7.88
Diluted (sen)	1.96	2.60	5.97	7.88

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2018 RM'000 (Restated)	12 MONTHS ENDED	
			30.6.2019 RM'000	30.6.2018 RM'000 (Restated)
<b>Profit for the period/year</b>	196,782	232,846	587,810	718,328
<b>Other comprehensive income/(loss):</b>				
<i>Items that will not be reclassified subsequently to income statement:</i>				
Re-measurement of post- employment benefit obligations				
- Subsidiaries	(43,966)	(39,960)	(43,966)	148,624
- Associates and joint ventures	-	1,695	-	1,695
<i>Items that may be reclassified subsequently to income statement:</i>				
Financial assets at fair value through other comprehensive income	15,040	27,410	(34,892)	(14,558)
Cash flow hedges:				
- Subsidiaries	(77,417)	206,792	(206,004)	303,984
- Associates and joint ventures	(19,743)	40,586	(37,335)	9,361
Currency translation differences:				
- Subsidiaries	82,045	(89,671)	200,337	(739,602)
- Associates and joint ventures	28,147	95,450	29,654	(152,226)
<b>Other comprehensive (loss)/income for the period/year, net of tax</b>	(15,894)	242,302	(92,206)	(442,722)
<b>Total comprehensive income for the period/year</b>	180,888	475,148	495,604	275,606
<b>Attributable to:</b>				
Owners of the parent	123,532	416,479	349,947	221,100
Non-controlling interests	57,356	58,669	145,657	54,506
	180,888	475,148	495,604	275,606

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.6.2019</b>	<b>30.6.2018</b>	<b>1.7.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>	<b>(Restated)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	21,605,237	21,216,873	21,324,608
Investment properties	477,749	452,112	432,935
Project development costs	228,952	196,891	166,841
Intangible assets	8,275,122	8,029,565	8,359,723
Investments accounted for using the equity method	2,282,796	2,137,331	2,245,363
Investments	242,100	1,063,418	822,780
Derivative financial instruments	18,722	44,049	13,502
Receivables, deposits and prepayments	897,829	955,622	971,418
	-----	-----	-----
	34,028,507	34,095,861	34,337,170
	-----	-----	-----
<b>Current assets</b>			
Inventories	388,727	397,904	411,568
Property development costs	22,839	-	-
Investments	1,490,865	1,883,669	2,503,011
Receivables, deposits and prepayments	2,574,151	2,329,697	2,235,133
Derivative financial instruments	63,388	197,681	51,859
Cash and bank balances	7,565,565	7,337,927	8,946,301
	-----	-----	-----
	12,105,535	12,146,878	14,147,872
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>46,134,042</b>	<b>46,242,739</b>	<b>48,485,042</b>
	=====	=====	=====
<b>EQUITY AND LIABILITIES</b>			
Share capital	7,038,587	7,038,587	7,019,847
Reserves	6,369,560	6,399,363	6,865,704
Treasury shares, at cost	(708,259)	(509,634)	(711,308)
	-----	-----	-----
Equity attributable to owners of the parent	12,699,888	12,928,316	13,174,243
Non-controlling interests	217,908	111,616	230,778
	-----	-----	-----
<b>TOTAL EQUITY</b>	<b>12,917,796</b>	<b>13,039,932</b>	<b>13,405,021</b>
	-----	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - Continued**

	<b>UNAUDITED</b>	<b>UNAUDITED</b>	<b>UNAUDITED</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.6.2019</b>	<b>30.6.2018</b>	<b>1.7.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>	<b>(Restated)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred taxation	1,879,247	1,860,651	1,833,759
Borrowings	25,002,760	23,780,022	23,807,374
Post-employment benefit obligations	704,080	685,509	1,115,512
Grants and contributions	612,147	548,493	547,775
Derivative financial instruments	19,131	21,077	24,437
Payables	837,225	811,879	862,118
	-----	-----	-----
	29,054,590	27,707,631	28,190,975
	-----	-----	-----
<b>Current liabilities</b>			
Payables and accrued expenses	2,350,101	2,070,242	1,914,703
Derivative financial instruments	48,906	19,229	121,980
Post-employment benefit obligations	1,408	1,637	3,007
Taxation	50,241	113,142	129,068
Borrowings	1,711,000	3,290,926	4,720,288
	-----	-----	-----
	4,161,656	5,495,176	6,889,046
	-----	-----	-----
<b>TOTAL LIABILITIES</b>	<b>33,216,246</b>	<b>33,202,807</b>	<b>35,080,021</b>
	-----	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,134,042</b>	<b>46,242,739</b>	<b>48,485,042</b>
	=====	=====	=====
<b>Net assets per share attributable to ordinary equity holders of the parent (RM)</b>	<b>1.65</b>	<b>1.65</b>	<b>1.70</b>
	=====	=====	=====

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	-----Attributable to Owners of the Parent-----				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000			
Balance as at 30 June 2018, as previously reported	7,038,587	(1,435,015)	(509,634)	7,919,190	13,013,128	111,386	13,124,514
Adjustments from adoption of MFRS 15	-	139	-	(2,571)	(2,432)	230	(2,202)
Acquisition accounting restatement	-	-	-	(82,380)	(82,380)	-	(82,380)
Restated balance as at 30 June 2018	7,038,587	(1,434,876)	(509,634)	7,834,239	12,928,316	111,616	13,039,932
Adjustments from adoption of MFRS 9	-	-	-	(1,259)	(1,259)	(841)	(2,100)
Restated balance as at 1 July 2018	7,038,587	(1,434,876)	(509,634)	7,832,980	12,927,057	110,775	13,037,832
Profit for the financial year	-	-	-	459,479	459,479	128,331	587,810
Other comprehensive (loss)/income for the financial year	-	(65,572)	-	(43,960)	(109,532)	17,326	(92,206)
Total comprehensive (loss)/income for the financial year	-	(65,572)	-	415,519	349,947	145,657	495,604
Acquisition of a subsidiary	-	-	-	-	-	51	51
Effects arising from changes in composition of the Group	-	-	-	(79)	(79)	112	33
Dividends paid	-	-	-	(383,765)	(383,765)	(38,687)	(422,452)
Share option lapsed	-	(1,146)	-	1,146	-	-	-
Share repurchased	-	-	(198,625)	-	(198,625)	-	(198,625)
Share option expenses	-	5,353	-	-	5,353	-	5,353
At 30 June 2019	7,038,587	(1,496,241)	(708,259)	7,865,801	12,699,888	217,908	12,917,796

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	-----Attributable to Owners of the Parent-----					Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000		
Balance as at 30 June 2017, as previously reported	7,019,847	(865,862)	(711,308)	7,816,148	13,258,825	230,855	13,489,680
Adjustments from adoption of MFRS 15	-	-	-	(2,202)	(2,202)	(77)	(2,279)
Acquisition accounting restatement	-	-	-	(82,380)	(82,380)	-	(82,380)
Restated balance as at 1 July 2017	7,019,847	(865,862)	(711,308)	7,731,566	13,174,243	230,778	13,405,021
Profit for the financial year	-	-	-	619,686	619,686	98,642	718,328
Other comprehensive (loss)/income for the financial year	-	(548,905)	-	150,319	(398,586)	(44,136)	(442,722)
Total comprehensive (loss)/income for the financial year	-	(548,905)	-	770,005	221,100	54,506	275,606
Effects arising from changes in composition of the Group	-	(363)	-	(1,842)	(2,205)	(25,641)	(27,846)
Exercise of warrants	17,224	-	-	-	17,224	-	17,224
Warrants reserves	1,516	(1,516)	-	-	-	-	-
Expiry of warrants	-	(10,099)	-	10,099	-	-	-
Dividends paid	-	-	-	(388,585)	(388,585)	(148,027)	(536,612)
Share dividend	-	-	287,705	(287,705)	-	-	-
Share option expenses	-	1,612	-	-	1,612	-	1,612
Share option lapsed	-	(701)	-	701	-	-	-
Share repurchased	-	-	(86,031)	-	(86,031)	-	(86,031)
Share of reserve of a joint venture	-	(9,042)	-	-	(9,042)	-	(9,042)
Restated balance as at 30 June 2018	7,038,587	(1,434,876)	(509,634)	7,834,239	12,928,316	111,616	13,039,932

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.



**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	<b>12 MONTHS ENDED</b>	
	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b> <b>(Restated)</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	587,810	718,328
Adjustment for:		
Allowance for impairment of associate	-	428
Allowance for impairment of inventories	4,582	120
Allowance for impairment of investments	-	50
Allowance for impairment of property, plant and equipment	4,347	-
Allowance for impairment of receivables (net of reversals)	146,863	68,722
Amortisation of contract costs	11,569	21,119
Amortisation of deferred income	(1,078)	(3,968)
Amortisation of grants and contributions	(20,553)	(20,100)
Amortisation of intangible assets	9,859	8,827
Bad debts (recovered)/written off	(4,124)	4,301
Depreciation of property, plant and equipment	1,068,631	1,113,191
Fair value (gain)/loss on derivatives	(15,590)	18,747
Fair value (gain)/loss on investments	(32,753)	29,410
Fair value gain on investment properties	(53,016)	-
Interest expense	1,130,885	1,077,502
Interest income	(8,077)	(8,408)
Net (gain)/loss on disposal of property, plant and equipment	(4,431)	1,395
Net gain on disposal of investments	-	(4)
Property, plant and equipment written off	22,290	20,203
Provision for liabilities and charges	8,219	1,981
Share of profits of investments accounted for using the equity method	(384,878)	(404,703)
Share option expenses	5,294	1,612
Taxation	145,881	222,268
Unrealised loss on foreign exchange	42	6,397
Provision for /(Write back of) post-employment benefit	64,019	(124,496)
	-----	-----
	2,685,791	2,752,922
Changes in working capital:		
Inventories	65,764	(32,598)
Receivables, deposits and prepayments	(442,910)	(394,724)
Payables and accrued expenses	129,148	177,698
	-----	-----
Cash flows from operations	2,437,793	2,503,298
Interest paid	(992,328)	(915,427)
Payment for provision and liabilities	(3,619)	(1,622)
Payment to post-employment benefit obligations	(111,064)	(108,103)
Tax paid	(180,979)	(190,340)
	-----	-----
Net cash flows from operating activities	1,149,803	1,287,806
	-----	-----

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 - Continued**

	<b>12 MONTHS ENDED</b>	
	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary, net of cash acquired	519	(91,156)
Additional investments accounted for using the equity method	-	(428)
Development expenditure incurred on investment properties	(53,392)	(43,463)
Dividends received	385,772	392,694
Grants received	86,198	50,593
Interest received	15,540	8,478
Maturities of income funds	1,285,382	385,045
Prepayment for land acquisition	(12,133)	(22,540)
Proceeds from disposal of investments	-	4
Proceeds from disposal of property, plant and equipment	10,081	9,320
Purchase of intangible assets	(4,215)	(4,618)
Purchase of property, plant and equipment	(1,423,233)	(1,733,593)
Shareholder loans	(60,304)	(69,683)
	-----	-----
Net cash flows from/(used in) investing activities	230,215	(1,119,347)
	-----	-----
<b>Cash flows from financing activities</b>		
Additional investment in subsidiaries	-	(27,838)
Dividends paid	(383,765)	(388,585)
Dividends paid to non-controlling interests	(38,687)	(148,027)
Proceeds from borrowings	2,488,183	6,355,725
Proceeds from issue of shares	-	17,224
Repayment of borrowings	(3,134,668)	(6,870,711)
Repurchase of own shares	(198,625)	(86,031)
Repayment of loans owing to former shareholder	-	(192,996)
	-----	-----
Net cash flows used in financing activities	(1,267,562)	(1,341,239)
	-----	-----
Net changes in cash and cash equivalents	112,456	(1,172,780)
Effects of exchange rate changes	127,392	(465,162)
Cash and cash equivalents at beginning of the financial year	7,305,091	8,943,033
	-----	-----
Cash and cash equivalents at end of the financial year <i>[Note a]</i>	7,544,939	7,305,091
	=====	=====
<i>[Note a]</i>		
Cash and cash equivalents at the end of the financial year comprise:		
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	7,184,832	6,906,612
Cash and bank balances	380,733	431,315
Bank overdrafts	(20,626)	(32,836)
(included within short term borrowing in [Note B9])		
	-----	-----
	7,544,939	7,305,091
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

## **INTERIM FINANCIAL REPORT**

### **PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

The interim financial report should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2018.

#### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The explanatory notes contained herein provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2018, except for changes arising from the adoption of MFRS 9 “Financial Instruments” and MFRS 15 “Revenue from Contracts with Customers” as described below:

##### **(a) MFRS 9 “Financial Instruments” (“MFRS 9”)**

MFRS 9 replaces MFRS 139 “Financial Instruments: Recognition and Measurement”. The adoption of MFRS 9 has resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“FVOCI”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in FVOCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than in the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model (“ECL”) on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

(a) MFRS 9 “Financial Instruments” (“MFRS 9”) (continued)

On the date of initial application, the Group has confirmed that its current hedge relationships will qualify as continuing hedges upon the adoption of MFRS 9. Certain financial assets that do not meet the criteria for classification at amortised cost have been classified as financial assets at FVTPL. While, available-for-sale financial assets were classified to financial assets at FVOCI. As for the ECL impact, the Group has concluded that the impact is minimal.

(b) MFRS 15 “Revenue from Contracts with Customers” (“MFRS 15”)

The Group has adopted MFRS 15 in the current financial year. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

MFRS 15 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The main changes are explained below:

(i) Accounting for sale of device as part of bundled telecommunication service package

MFRS 15 requires devices which the Group promises to transfer as part of a bundled package with mobile telecommunication services to be considered distinct and thus accounted for as a separate performance obligation. As a result, total consideration received from such a package are allocated to the service and device based on relative stand-alone selling prices. This results in an allocation and early recognition of a portion of telecommunication service revenue as device revenue, an earlier recognition of device subsidy expenses which was capitalised as intangible asset previously and subsequently, a reduction in service revenue throughout the contract period. The recognition of higher device revenue upfront also resulted in recognition of what is known as a contract asset (a receivable arising from the customer contract that has not yet legally come into existence) in the statement of financial position.

(ii) Incremental costs of obtaining a contract

Under MFRS 15, the Group capitalises sales commissions and device costs (for those devices which is bundled with fixed line telecommunication services and not distinct performance obligation) as costs of obtaining a contract with a customer when they are incremental and expected to be recovered. These costs are amortised consistently with the transfer of the good or service to the customer.

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt the full retrospective approach, requiring the restatement of the comparative period/year presented in the financial statements. Refer to Note A1(c) for the adjustments made to the comparative figures.

Acquisition accounting restatement in relation to Wessex Water

During the year, noted that RM335.4 million of infrastructure assets had been under depreciated by RM10.4 million and no provision was made on deferred tax liability of RM51.0 million. This relates to the initial adoption of MFRS on 1 July 2011. Also, there were non-recognition of deferred tax liability of RM21.0 million in respect of non-qualifying assets recognised on the 2002 historical business combination in the consolidation. Refer to Note A1(c) for the adjustments made to the comparative figures.

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**INTERIM FINANCIAL REPORT**

**Notes - continued**

(c) Restatement of comparative figures

(i) Reconciliation of consolidated income statement

	QUARTER ENDED			12 MONTHS ENDED		
	30.6.2018			30.6.2018		
	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000	Previously reported RM'000	Effects of MFRS 15 RM'000	Restated RM'000
Revenue	2,809,927	(2,585)	2,807,342	10,619,191	(13,241)	10,605,950
Cost of sales	(2,093,405)	2,290	(2,091,115)	(8,313,480)	12,986	(8,300,494)
Gross profit	716,522	(295)	716,227	2,305,711	(255)	2,305,456
Other operating income	8,689	-	8,689	41,187	-	41,187
Other operating expenses	(280,254)	-	(280,254)	(733,248)	-	(733,248)
Profit from operations	444,957	(295)	444,662	1,613,650	(255)	1,613,395
Finance costs	(265,801)	-	(265,801)	(1,077,502)	-	(1,077,502)
Share of profits of investments accounted for using the equity method	103,359	-	103,359	404,703	-	404,703
<b>Profit before taxation</b>	282,515	(295)	282,220	940,851	(255)	940,596
Taxation	(49,567)	193	(49,374)	(222,461)	193	(222,268)
<b>Profit for the period/year</b>	232,948	(102)	232,846	718,390	(62)	718,328
<b>Attributable to:</b>						
Owners of the parent	206,092	(398)	205,694	620,055	(369)	619,686
Non-controlling interests	26,856	296	27,152	98,335	307	98,642
	232,948	(102)	232,846	718,390	(62)	718,328
<b>Earnings per share for profit attributable to owners of the parent:</b>						
Basic (sen)	2.60		2.60	7.88		7.88
Diluted (sen)	2.60		2.60	7.88		7.88

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**Notes - continued**

(c) Restatement of comparative figures

(ii) Reconciliation of consolidated statement of comprehensive income

	QUARTER ENDED			12 MONTHS ENDED		
	30.6.2018			30.6.2018		
	Previously reported	Effects of MFRS 15	Restated	Previously reported	Effects of MFRS 15	Restated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period/year</b>	232,948	(102)	232,846	718,390	(62)	718,328
<b>Other comprehensive income/(loss):</b>						
<i>Items that will not be reclassified subsequently to income statement:</i>						
Re-measurement of post- employment benefit obligations						
- Subsidiaries	(39,960)	-	(39,960)	148,624	-	148,624
- Associates and joint ventures	1,695	-	1,695	1,695	-	1,695
<i>Items that may be reclassified subsequently to income statement:</i>						
Financial assets at fair value through other comprehensive income	27,410	-	27,410	(14,558)	-	(14,558)
Cash flow hedges:						
- Subsidiaries	206,792	-	206,792	303,984	-	303,984
- Associates and joint ventures	40,586	-	40,586	9,361	-	9,361
Currency translation differences:						
- Subsidiaries	(89,810)	139	(89,671)	(739,741)	139	(739,602)
- Associates and joint ventures	95,450	-	95,450	(152,226)	-	(152,226)
<b>Other comprehensive income/(loss) for the period/year, net of tax</b>	242,163	139	242,302	(442,861)	139	(442,722)
<b>Total comprehensive income for the period/year</b>	475,111	37	475,148	275,529	77	275,606
<b>Attributable to:</b>						
Owners of the parent	416,738	(259)	416,479	221,330	(230)	221,100
Non-controlling interests	58,373	296	58,669	54,199	307	54,506
	475,111	37	475,148	275,529	77	275,606

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**Notes - continued**

(c) Restatement of comparative figures (continued)

(iii) Reconciliation of financial position and equity

	<u>30.6.2018</u>			<u>30.6.2018</u>		<u>1.7.2018</u>
	Previously reported RM'000	Effects of MFRS 15 RM'000	Acquisition accounting restatement RM'000	Restated RM'000	Effects of MFRS 9 RM'000	Restated RM'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	21,227,246	-	(10,373)	21,216,873	-	21,216,873
Intangible assets	8,040,576	(11,011)	-	8,029,565	-	8,029,565
Receivables, deposits and prepayments	949,497	6,125	-	955,622	-	955,622
Other non-current assets	3,893,801	-	-	3,893,801	-	3,893,801
	<u>34,111,120</u>	<u>(4,886)</u>	<u>(10,373)</u>	<u>34,095,861</u>	<u>-</u>	<u>34,095,861</u>
<b>Current assets</b>						
Inventories	430,004	(32,100)	-	397,904	-	397,904
Receivables, deposits and prepayments	2,295,541	34,156	-	2,329,697	(2,103)	2,327,594
Other current assets	9,419,277	-	-	9,419,277	-	9,419,277
	<u>12,144,822</u>	<u>2,056</u>	<u>-</u>	<u>12,146,878</u>	<u>(2,103)</u>	<u>12,144,775</u>
<b>TOTAL ASSETS</b>	<u>46,255,942</u>	<u>(2,830)</u>	<u>(10,373)</u>	<u>46,242,739</u>	<u>(2,103)</u>	<u>46,240,636</u>

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**INTERIM FINANCIAL REPORT**

**Notes - continued**

(c) Restatement of comparative figures (continued)

(iii) Reconciliation of financial position and equity (continued)

	<u>30.6.2018</u>			<u>30.6.2018</u>		<u>1.7.2018</u>
	<b>Previously reported RM'000</b>	<b>Effects of MFRS 15 RM'000</b>	<b>Acquisition accounting restatement RM'000</b>	<b>Restated RM'000</b>	<b>Effects of MFRS 9 RM'000</b>	<b>Restated RM'000</b>
<b>EQUITY AND LIABILITIES</b>						
Share capital	7,038,587	-	-	7,038,587	-	7,038,587
Reserves	6,484,175	(2,432)	(82,380)	6,399,363	(1,259)	6,398,104
Treasury shares, at cost	(509,634)	-	-	(509,634)	-	(509,634)
Equity attributable to owners of the parent	13,013,128	(2,432)	(82,380)	12,928,316	(1,259)	12,927,057
Non-controlling interests	111,386	230	-	111,616	(841)	110,775
<b>TOTAL EQUITY</b>	<b>13,124,514</b>	<b>(2,202)</b>	<b>(82,380)</b>	<b>13,039,932</b>	<b>(2,100)</b>	<b>13,037,832</b>
<b>Non-current liabilities</b>						
Deferred taxation	1,788,657	(13)	72,007	1,860,651	(3)	1,860,648
Payables	811,875	4	-	811,879	-	811,879
Other non-current liabilities	25,035,101	-	-	25,035,101	-	25,035,101
	<u>27,635,633</u>	<u>(9)</u>	<u>72,007</u>	<u>27,707,631</u>	<u>(3)</u>	<u>27,707,628</u>
<b>Current liabilities</b>						
Payables and accrued expenses	2,070,210	32	-	2,070,242	-	2,070,242
Taxation	113,793	(651)	-	113,142	-	113,142
Other current liabilities	3,311,792	-	-	3,311,792	-	3,311,792
	<u>5,495,795</u>	<u>(619)</u>	<u>-</u>	<u>5,495,176</u>	<u>-</u>	<u>5,495,176</u>
<b>TOTAL LIABILITIES</b>	<b>33,131,428</b>	<b>(628)</b>	<b>72,007</b>	<b>33,202,807</b>	<b>(3)</b>	<b>33,202,804</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,255,942</b>	<b>(2,830)</b>	<b>(10,373)</b>	<b>46,242,739</b>	<b>(2,103)</b>	<b>46,240,636</b>



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**Notes - continued**

(c) Restatement of comparative figures (continued)

(iii) Reconciliation of financial position and equity (continued)

	<u>30.6.2017</u>			<u>1.7.2017</u>
	Previously reported RM'000	Effects of MFRS 15 RM'000	Acquisition accounting restatement RM'000	Restated RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	21,334,981	-	(10,373)	21,324,608
Intangible assets	8,392,717	(32,994)	-	8,359,723
Receivables, deposits and prepayments	968,737	2,681	-	971,418
Other non-current assets	3,681,421	-	-	3,681,421
	<u>34,377,856</u>	<u>(30,313)</u>	<u>(10,373)</u>	<u>34,337,170</u>
<b>Current assets</b>				
Inventories	448,947	(37,379)	-	411,568
Receivables, deposits and prepayments	2,170,186	64,947	-	2,235,133
Other current assets	11,501,171	-	-	11,501,171
	<u>14,120,304</u>	<u>27,568</u>	<u>-</u>	<u>14,147,872</u>
<b>TOTAL ASSETS</b>	<u>48,498,160</u>	<u>(2,745)</u>	<u>(10,373)</u>	<u>48,485,042</u>

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
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**INTERIM FINANCIAL REPORT**

**Notes - continued**

(c) Restatement of comparative figures (continued)

(iii) Reconciliation of financial position and equity (continued)

	<u>30.6.2017</u>			<u>1.7.2017</u>
	<b>Previously reported RM'000</b>	<b>Effects of MFRS 15 RM'000</b>	<b>Acquisition accounting restatement RM'000</b>	<b>Restated RM'000</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	7,019,847	-	-	7,019,847
Reserves	6,950,286	(2,202)	(82,380)	6,865,704
Treasury shares, at cost	(711,308)	-	-	(711,308)
Equity attributable to owners of the parent	<u>13,258,825</u>	<u>(2,202)</u>	<u>(82,380)</u>	<u>13,174,243</u>
Non-controlling interests	230,855	(77)	-	230,778
<b>TOTAL EQUITY</b>	<u><u>13,489,680</u></u>	<u><u>(2,279)</u></u>	<u><u>(82,380)</u></u>	<u><u>13,405,021</u></u>
<b>Non-current liabilities</b>				
Deferred taxation	1,761,764	(12)	72,007	1,833,759
Other non-current liabilities	<u>26,357,216</u>	<u>-</u>	<u>-</u>	<u>26,357,216</u>
	<u>28,118,980</u>	<u>(12)</u>	<u>72,007</u>	<u>28,190,975</u>
<b>Current liabilities</b>				
Payables and accrued expenses	1,914,665	38	-	1,914,703
Taxation	129,560	(492)	-	129,068
Other current liabilities	<u>4,845,275</u>	<u>-</u>	<u>-</u>	<u>4,845,275</u>
	<u>6,889,500</u>	<u>(454)</u>	<u>-</u>	<u>6,889,046</u>
<b>TOTAL LIABILITIES</b>	<u><u>35,008,480</u></u>	<u><u>(466)</u></u>	<u><u>72,007</u></u>	<u><u>35,080,021</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>48,498,160</u></u>	<u><u>(2,745)</u></u>	<u><u>(10,373)</u></u>	<u><u>48,485,042</u></u>

**INTERIM FINANCIAL REPORT**

**Notes - continued**

(c) Restatement of comparative figures (continued)

(iv) Reconciliation of cash flows

	<b>12 MONTHS ENDED</b>		
	<b>30.6.2018</b>		
	<b>Previously reported RM'000</b>	<b>Effects of MFRS 15 RM'000</b>	<b>Restated RM'000</b>
<b>Cash flows from operating activities</b>			
Profit for the financial year	718,390	(62)	718,328
Adjustment for:			
Amortisation of deferred income	(9,678)	5,710	(3,968)
Amortisation of contract costs	-	21,119	21,119
Amortisation of intangible assets	47,897	(39,070)	8,827
Taxation	222,461	(193)	222,268
Other non-cash items	1,786,348	-	1,786,348
	<u>2,765,418</u>	<u>(12,496)</u>	<u>2,752,922</u>
Changes in working capital:			
Inventories	(1,966)	(30,632)	(32,598)
Receivables, deposits and prepayments	(426,476)	31,752	(394,724)
Payables and accrued expenses	183,409	(5,711)	177,698
Cash flows from operations	<u>2,520,385</u>	<u>(17,087)</u>	<u>2,503,298</u>
Other cash flows used in operating activities	<u>(1,215,492)</u>	<u>-</u>	<u>(1,215,492)</u>
Net cash flows from operating activities	<u>1,304,893</u>	<u>(17,087)</u>	<u>1,287,806</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets	(21,705)	17,087	(4,618)
Other cash flows used in investing activities	<u>(1,114,729)</u>	<u>-</u>	<u>(1,114,729)</u>
Net cash flows used in investing activities	<u>(1,136,434)</u>	<u>17,087</u>	<u>(1,119,347)</u>
<b>Cash flows from financing activities</b>			
Net cash flows used in financing activities	<u>(1,341,239)</u>	<u>-</u>	<u>(1,341,239)</u>
Net changes in cash and cash equivalents	(1,172,780)	-	(1,172,780)
Effects of exchange rate changes	(465,162)	-	(465,162)
Cash and cash equivalents at beginning of the financial year	<u>8,943,033</u>	<u>-</u>	<u>8,943,033</u>
Cash and cash equivalents at end of the financial year	<u>7,305,091</u>	<u>-</u>	<u>7,305,091</u>

The adoption of MFRSs or amendments to MFRSs which were effective for financial year beginning on or after 1 July 2018 do not have significant financial impact on the Group other than as disclosed above.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factor.

**A3. Disaggregation of revenue**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.6.2019</b>	<b>30.6.2018</b>	<b>30.6.2019</b>	<b>30.6.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Sale of electricity	1,801,347	1,572,422	6,706,603	5,790,502
Sale of steam	51,134	51,445	211,048	190,120
Sale of clean water and treatment and disposal of waste water	839,346	844,824	3,376,656	3,356,697
Broadband and telecommunications	237,004	192,135	871,947	772,190
Investment income and others	129,888	146,516	510,823	496,441
<b>Total</b>	<b>3,058,719</b>	<b>2,807,342</b>	<b>11,677,077</b>	<b>10,605,950</b>

**A4. Unusual Items**

For the current financial year to date, there was no item of unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

**A5. Changes in Estimates of Amounts Reported**

There was no significant change to estimate of amount reported in prior interim periods or prior financial years.

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**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A6. Changes in Debt and Equity Securities**

There was no share issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme during the current financial quarter and financial year to date.

A total of 168,189,300 ordinary shares were repurchased from the open market for a total consideration of RM198,625,429 for the current financial year to date. The share buyback transactions were financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2019, the number of treasury shares held was 482,906,712 ordinary shares.

On 24 August 2018, the Company issued two tranche of borrowings amounted to RM500.0 million each totalling RM1.0 billion Medium Term Notes ("MTN") pursuant to a MTN programme of up to RM5.0 billion. The proceeds were utilised on the same day to partially repay the Company's outstanding MTN of RM2.2 billion.

The outstanding debts are as disclosed in Note B9.

**A7. Dividends Paid**

The following dividend payment was made during the financial year ended 30 June 2019: -

	<u>RM'000</u>
In respect of the financial year ended 30 June 2018:	
An interim single tier dividend of 5 sen per ordinary share paid on 13 November 2018	<u>383,765</u>

**A8. Segment Information**

The Group has five reportable segments as described below:

- a) Power generation (Contracted)
- b) Multi utilities business (Merchant)
- c) Water and sewerage
- d) Mobile broadband network
- e) Investment holding activities

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

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**Notes – continued**

Segment information for the financial year ended 30 June 2019:

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Mobile broadband network RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>Total Revenue</b>	798,480	6,274,001	3,386,059	875,105	413,045	11,746,690
<b>Inter-segment elimination</b>	-	-	-	(3,158)	(66,455)	(69,613)
<b>External Revenue</b>	798,480	6,274,001	3,386,059	871,947	346,590	11,677,077
<b>Segment profit/(loss) before tax</b>	51,389	(242,055)	745,902	(18,342)	196,797	733,691

Segment information for the financial year ended 30 June 2018 (Restated):

	<b>Power generation (Contracted) RM'000</b>	<b>Multi utilities business (Merchant) RM'000</b>	<b>Water &amp; sewerage RM'000</b>	<b>Mobile broadband network RM'000</b>	<b>Investment holding activities RM'000</b>	<b>Group RM'000</b>
<b>Total Revenue</b>	614,486	5,553,440	3,365,346	779,388	361,270	10,673,930
<b>Inter-segment elimination</b>	-	-	-	(7,198)	(60,782)	(67,980)
<b>External Revenue</b>	614,486	5,553,440	3,365,346	772,190	300,488	10,605,950
<b>Segment profit/(loss) before tax</b>	18,962	71,846	991,400	(98,052)	(43,560)	940,596

**A9. Events After the Interim Period**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**A10. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 30 June 2019, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructurings and discontinuing operations save for the following:

- (i) On 9 July 2018, Yakin Telesel Sdn. Bhd. (“Yakin Telesel”) increased its share capital from RM1.00 to RM100,000.00 via an issuance of additional 99,999 ordinary shares. KJS Alunan Sdn. Bhd. (“KJS Alunan”) and Menteri Besar Selangor (Pemerbadanan) subscribed for 69,999 ordinary shares and 30,000 ordinary shares respectively in Yakin Telesel, at an issue price of RM1.00 per share in cash.

As a result, Yakin Telesel became a 70%-owned subsidiary of KJS Alunan and remain an indirect subsidiary of the Company.

- (ii) On 9 August 2018, KJS Alunan increased its share capital from RM1.00 to RM10,000.00 via an issuance of additional 9,999 ordinary shares. Konsortium Jaringan Selangor Sdn. Bhd. (“Konsortium Jaringan”) and Alunan Media Sdn. Bhd. subscribed for 6,999 ordinary shares and 3,000 ordinary shares respectively in KJS Alunan, at an issue price of RM1.00 per share in cash.

As a result, KJS Alunan became a 70%-owned subsidiary of Konsortium Jaringan and remain an indirect subsidiary of the Company.

- (iii) YTL Jawa Power Services B.V. (“YTL Jawa Power Services”) has been deregistered from the Netherlands Chamber of Commerce Business Register as from 1 February 2019 followings its merger with YTL Jawa O & M Holdings B.V. (“YTL Jawa O & M”) in accordance with Title 7, Book 2 of the Dutch Civil Code. YTL Jawa Power Services has then ceased to be an indirect wholly-owned subsidiary of the Company. Further to the deregistration, the transfer of 5 shares held by YTL Jawa Power Services in the capital of PT YTL Jawa Timur, to YTL Jawa O & M has been effected on 22 February 2019.

- (iv) On 1 March 2019, YTL Infrastructure Holdings Sdn. Bhd. (“YTL Infrastructure Holdings”) was incorporated as a wholly-owned subsidiary of the company.

YTL Infrastructure Holdings was incorporated with an issued share capital of RM1.00 comprising 1 ordinary share. YTL Infrastructure Holdings will be principally involved in investment holding.

- (v) On 4 March 2019, Global Infrastructure Assets Sdn. Bhd. (“Global Infrastructure Assets”) was incorporated as a wholly-owned subsidiary of YTL Infrastructure Holdings. As a result, Global Infrastructure Assets became an indirect subsidiary of the Company.

Global Infrastructure Assets was incorporated with an issued share capital of RM1.00 comprising 1 ordinary share. Global Infrastructure Assets will be principally involved in investment holding.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

- (vi) On 24 June 2019, YTL Jawa O & M acquired 95% of the total issued share capital comprising 2,375 shares in PT YTL Power Services Indonesia (“PT YTL Power Services”) (formerly known as PT YTL Construction Makmur) from YTL Construction International (Cayman) Limited and PT Bina Sarana Tenaga. As a result, PT YTL Power Services became an indirect subsidiary of the Company.

**A11. Changes in Contingent Liabilities**

There were no material changes in the contingent liabilities of the Group since the last financial year ended 30 June 2018.

**A12. Fair value measurement**

The Group measures fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- a) Level 1 – quoted price (unadjusted) in active market for identical assets or liabilities;
- b) Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- c) Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the Group’s assets and liabilities that are measured at fair value as at:

	Level 1 RM’000	Level 2 RM’000	Level 3 RM’000	Total RM’000
<b>30.6.2019</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Trading derivatives	-	946	-	946
- Income funds	-	1,490,865	-	1,490,865
- Equity investments	-	3,640	-	3,640
Financial assets at fair value through other comprehensive income				
Derivatives used for hedging	63,414	45	175,001	238,460
Total assets	63,414	1,576,660	175,001	1,815,075
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss:				
- Currency options contracts	3,333	-	-	3,333
- Trading derivatives	-	6,449	-	6,449
Derivatives used for hedging	-	58,255	-	58,255
Total liabilities	3,333	64,704	-	68,037



**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA  
SECURITIES BERHAD**

**B1. Review of the Results**

The comparison of the results is tabulated below:

	<b>Individual Quarter</b>		<b>Variance</b> %	<b>Cumulative Quarter</b>		<b>Variance</b> %
	<b>30.6.2019</b> <b>RM'000</b>	<b>30.6.2018</b> <b>RM'000</b> <b>(Restated)</b>		<b>30.6.2019</b> <b>RM'000</b>	<b>30.6.2018</b> <b>RM'000</b> <b>(Restated)</b>	
<b>Revenue</b>						
Power generation (Contracted)	203,984	176,144	+15.8%	798,480	614,486	+29.9%
Multi utilities business (Merchant)	1,686,008	1,487,393	+13.4%	6,274,001	5,553,440	+13.0%
Water & sewerage	841,590	847,696	-0.7%	3,386,059	3,365,346	+0.6%
Mobile broadband network	237,004	192,135	+23.4%	871,947	772,190	+12.9%
Investment holding activities	90,133	103,974	-13.3%	346,590	300,488	+15.3%
	<b>3,058,719</b>	<b>2,807,342</b>	<b>+9.0%</b>	<b>11,677,077</b>	<b>10,605,950</b>	<b>+10.1%</b>
<b>Profit/(Loss) before taxation</b>						
Power generation (Contracted)	9,642	13,835	-30.3%	51,389	18,962	+171.0%
Multi utilities business (Merchant)	(22,419)	3,601	-722.6%	(242,055)	71,846	-436.9%
Water & sewerage	168,075	323,978	-48.1%	745,902	991,400	-24.8%
Mobile broadband network	9,994	(32,512)	+130.7%	(18,342)	(98,052)	+81.3%
Investment holding activities	81,330	(26,682)	+404.8%	196,797	(43,560)	+551.8%
	<b>246,622</b>	<b>282,220</b>	<b>-12.6%</b>	<b>733,691</b>	<b>940,596</b>	<b>-22.0%</b>

## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

a) Current Quarter vs Preceding Year Corresponding Quarter

The Group recorded a revenue of RM3,058.7 million for the current financial quarter ended 30 June 2019 as compared to RM2,807.3 million recorded in the preceding year corresponding quarter ended 30 June 2018. The Group profit before taxation for the current financial quarter was RM246.6 million, a decrease of RM35.6 million or 12.6% as compared to a profit of RM282.2 million recorded in the preceding year corresponding quarter.

Performance of the respective operating business segments for the quarter ended 30 June 2019 as compared to the preceding year corresponding quarter is analysed as follows:

Power generation (Contracted)

The lower profit before taxation was mainly attributable to an allowance for impairment of power plant.

Multi utilities business (Merchant)

The increase in revenue was mainly due to higher volume of electricity sold. The loss before taxation was mainly due to lower vesting contract level, lower margin on indexed contracts, higher finance and operating costs, partially offset by lower depreciation charges.

Water & sewerage

The lower profit before taxation was mainly due to absence of a one-off pension credit recognised in the preceding year quarter and partially offset by lower operating costs and depreciation charges recorded in the current quarter.

Mobile broadband network

The increase in revenue was mainly due to the increase in project revenue. The profit before taxation was mainly attributable to the increase in revenue as mentioned and lower operating costs recorded.

Investment holding activities

The decrease in revenue was mainly due to the lower accrued technical service income, lower interest income and partially offset by recognition of hotel revenue. The higher profit before taxation was principally attributable to fair value gain on investments, derivatives and investment properties, lower operating costs and partially offset by lower share of profits of the associates.

b) Current Year to date vs Preceding Year to date

Group revenue was RM11,677.1 million for the current financial year ended 30 June 2019 as compared to RM10,606.0 million recorded in the preceding financial year ended 30 June 2018. The Group profit before taxation for the current financial year was RM733.7 million, a decrease of RM206.9 million or 22.0% as compared to a profit of RM940.6 million recorded in the preceding year. The lower profit before taxation was principally attributable to the loss recorded in Multi utilities business segment, lower profit in Water & sewerage segment and partially offset by better performance in Investment holding activities segment and Mobile broadband network segment.

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**Notes – continued**

Performance of the respective operating business segments for the year ended 30 June 2019 as compared to the preceding year was consistent with the notes mentioned in (a) above with the exception of the business segments mentioned below:

Power generation (Contracted)

Paka Power Plant commenced its short-term capacity generation from 1 September 2017 and this contributes higher profit before taxation.

Multi utilities business (Merchant)

The higher revenue was mainly due to higher fuel oil price. The loss before taxation was mainly due to lower retail non-fuel and ancillary margin, lower vesting contract level and margin, higher finance costs and an allowance for impairment of receivable following a court decision on the outstanding litigation as disclosed in Note B11, partially offset by lower depreciation charges.

Water & sewerage

The higher revenue was mainly due increase in price as allowed by regulator. The lower profit before taxation was mainly due to absence of a one-off pension credit recognised in the preceding year and higher finance costs recognised in current year.

Mobile broadband network

The reduction in loss before taxation was mainly attributable to the increase in revenue recorded.

Investment holding activities

The higher revenue was mainly due to the recognition of hotel revenue. The higher profit before taxation was principally attributable to lower operating costs, fair value gain on investments, derivatives and investment properties, partially offset by lower share of profits of the associates.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.6.2019 RM'000</b>	<b>Preceding Quarter 31.3.2019 RM'000</b>	<b>Variance % +/-</b>
Revenue	3,058,719	2,887,574	+5.9
Consolidated profit before taxation	246,622	167,308	+47.4
Consolidated profit after taxation	196,782	139,260	+41.3

The higher profit before taxation was primarily attributable to better returns in Investment holding activities segment and Mobile broadband network segment and coupled with lower loss recorded in Multi utilities business (Merchant) segment.

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### **Notes – continued**

#### **B3. Prospects**

##### Power generation (Contracted)

The Group has an 80% equity interest in PT Tanjung Jati Power Company (“TJPC”), an independent power producer which is undertaking the development of Tanjung Jati A, a 2 x 660 megawatt coal-fired power project in Java, Indonesia. TJPC has a 30-year power purchase agreement with PT PLN (Persero), Indonesia’s state-owned electric utility company, amended and restated in December 2015 and March 2018. The project is currently in the development stage and progress is underway towards achieving financial close.

The Group also has a 45% equity interest in Attarat Power Company (“APCO”), which is developing a 554 megawatt oil shale fired power generation project in the Hashemite Kingdom of Jordan. APCO has signed a 30-year power purchase agreement (including construction period of 3.5 years) with the National Electric Power Company (“NEPCO”), Jordan’s state-owned utility, for the entire electrical capacity and energy of the power plant, with an option for NEPCO to extend the power purchase agreement to 40 years (from the commercial operation date of the project’s second unit). Construction has commenced on the project, with operations scheduled to commence in mid-2020.

YTL Power Generation Sdn. Bhd. (“YTLPG”) commenced its operation on 1 September 2017 for the supply of 585MW of capacity from the existing facility in Paka for a term of 3 years 10 months, which will be expiring on 30 June 2021. YTLPG is expected to perform satisfactorily as it operates under a regulatory regime.

##### Multi utilities business (Merchant)

The electricity market in Singapore will remain competitive, driven by volatilities across global markets and generation capacity oversupply in the wholesale electricity market. Despite the current challenges, this segment will continue to focus on customer service and diversification beyond the core business into integrated multi-utilities supply.

##### Water & sewerage

Wessex Water is currently in discussion with its regulator over the Price Review 2020-25, which was published as a draft determination on 18 July 2019. The Group remains committed to delivering high quality, reliable and resilient services that are affordable to everyone, and is confident it will continue to deliver outperformance of its regulatory targets.

##### Mobile broadband network

Despite the challenging market in the telecommunications industry, this business segment is expected to continuously grow its subscriber base to generate higher revenue by introducing improved and innovative services to the market. This segment will also be expanding its telecommunication infrastructure business.

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**Notes – continued**

**B4. Variance of Actual Profit from Financial Estimate, Forecast, Projection or Profit Guarantee**

The Group did not issue any financial estimate, forecast, projection or profit guarantee during the current financial year to date.

**B5. Audit Report of the preceding financial year ended 30 June 2018**

The Auditors' Report on the financial statements of the financial year ended 30 June 2018 did not contain any qualification.

**B6. Profit for the period/year**

	<b>Current Quarter 30.6.2019 RM'000</b>	<b>Current Year To Date 30.6.2019 RM'000</b>
<b>Profit before taxation is stated after charging/(crediting):</b>		
Allowance for impairment of inventories	3,753	4,582
Allowance for impairment of property, plant and equipment	4,347	4,347
Allowance for impairment of receivables (net of reversals)	22,312	146,863
Amortisation of contract costs	2,477	11,569
Amortisation of deferred income	-	(1,078)
Amortisation of grants and contributions	(4,176)	(20,553)
Amortisation of intangible assets	4,970	9,859
Bad debts recovered	(4,124)	(4,124)
Depreciation of property, plant and equipment	217,419	1,068,631
Fair value gain on derivatives	(3,304)	(15,590)
Fair value gain on investments	(17,015)	(32,753)
Fair value gain on investment properties	(53,016)	(53,016)
Interest income	(2,247)	(8,077)
Interest expense	279,982	1,130,885
(Gain)/Loss on foreign exchange	(251)	7,740
Net gain on disposal of property, plant and equipment	(1,934)	(4,431)
Property, plant and equipment written off	19,349	22,290
Provision for liabilities and charges	7,004	8,219
	=====	=====

There was no exceptional items charged/(credited) for the period/year.

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**Notes – continued**

**B7. Taxation**

	<b>Current Quarter 30.6.2019 RM'000</b>	<b>Current Year To Date 30.6.2019 RM'000</b>
In respect of current period/year		
- Income Tax	25,854	118,976
- Deferred Tax	23,986	26,905
	-----	-----
	49,840	145,881
	=====	=====

The lower effective tax rate of the Group as compared to the Malaysian statutory income tax rate for the current financial quarter and financial year to date was mainly due to income subjected to different tax jurisdictions and partially offset by non-deductibility of certain expenses for tax purposes.

**B8. Corporate Proposals**

There were no corporate proposals announced by the Company which are not completed as at the date of this report.

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**Notes – continued**

**B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at 30 June 2019 are as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Current</b>			
Bank overdrafts	-	20,626	20,626
Finance lease	705	27,183	27,888
Revolving credit	-	834,086	834,086
Term loans	-	828,400	828,400
	<u>705</u>	<u>1,710,295</u>	<u>1,711,000</u>
<b>Non-current</b>			
Bonds	-	14,624,478	14,624,478
Finance lease	463	14,288	14,751
Revolving credit	-	298,858	298,858
Term loans	-	10,064,673	10,064,673
	<u>463</u>	<u>25,002,297</u>	<u>25,002,760</u>
<b>Total borrowings</b>	<b><u>1,168</u></b>	<b><u>26,712,592</u></b>	<b><u>26,713,760</u></b>

The borrowings which are denominated in foreign currency are as follows:

	<b>Foreign currency '000</b>	<b>RM Equivalents '000</b>
US Dollar	<u>647,668</u>	<u>2,682,641</u>
Sterling Pound	<u>2,151,809</u>	<u>11,294,633</u>
Singapore Dollar	<u>1,973,180</u>	<u>6,038,720</u>

All borrowings of the subsidiaries are on non-recourse basis to the Company save and except for borrowings totalling RM335.7 million, for which the Company has provided corporate guarantees to the financial institutions.

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**Notes – continued**

**B10. Derivative Financial Instruments and Fair Value Changes of Financial Liabilities**

(a) Derivative Financial Instruments

As at 30 June 2019, the Group's outstanding derivatives are as follows:

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil Swaps</u></b>		
- Less than 1 year	1,474,455	20,716
- 1 year to 3 years	456,283	1,729
- More than 3 years	-	-
<b><u>Currency forwards</u></b>		
- Less than 1 year	1,433,251	(5,566)
- 1 year to 3 years	611,097	527
- More than 3 years	-	-
<b><u>Currency options contracts</u></b>		
- Less than 1 year	816,200	(668)
- 1 year to 3 years	816,200	(2,665)
- More than 3 years	-	-

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency options contracts to enjoy interest rate reduction in related borrowings with an acceptable risk profile.

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.



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(b) Fair Value Changes of Financial Liabilities

The (losses)/gains arising from fair value changes of financial liabilities for the current financial year ended 30 June 2019 are as follows:

Type of financial liabilities	Basis of fair value measurement	Reason for the (loss)/gain	Fair value (loss)/gain	
			Current quarter 30.6.2019 RM'000	Current year to date 30.6.2019 RM'000
Forward foreign currency exchange contracts	Foreign exchange differential between the contracted rate and the market forward rate	Foreign exchange rates differential between the contracted rate and the market forward rate which have moved unfavourably against the Group	(1,071)	(2,754)
Fuel oil swap	Fuel oil price differential between the contracted price and the market forward price	Fuel oil price differential between the contracted price and the market forward price which have moved unfavourably against the Group	(9,653)	(6,571)
Currency options contracts	Spot rate, interest rate and basis curve, volatility and time to maturity	Change in time value was greater due to shorter remaining tenor and volatility has moved in favour of the Group	3,304	15,590
<b>Total</b>			<b>(7,420)</b>	<b>6,265</b>

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**Notes – continued**

**B11. Material Litigation**

There were no changes to the material litigations since the date of the last audited financial statements of financial position save for the following:

In 2015, a foreign subsidiary of the Group commenced proceedings in court against two customers to recover monies due to the subsidiary under contract, following termination of their electricity retail contracts. The trial was heard at the end of 2017 followed by a further hearing in November 2018. On 2 January 2019, the High Court ruled in favour of the subsidiary but awarded damages on a different basis from that claimed. This resulted in nominal damages being paid to the subsidiary. The foreign subsidiary's legal counsel has advised that there are real merits to appeal against the High Court's decision on the issue of damages. Accordingly, the subsidiary has filed an appeal against the decision and the appeal hearing is to be fixed by November 2019.

Notwithstanding the outcome of the appeal, the subsidiary has recognised a provision for the sum of RM70.5 million (SGD23.4 million) in the quarter ended 31 December 2018 based on the decision of the court.

**B12. Dividend**

The Board of Directors ("Board") is pleased to declare an interim single tier dividend of 5 sen per ordinary share for the financial year ended 30 June 2019.

The book closure and payment dates in respect of the aforesaid dividend are 29 October 2019 and 13 November 2019, respectively.

The Board does not recommend a final dividend for the financial year ended 30 June 2019 (2018: nil).

**B13. Earnings Per Share**

**i) Basic Earnings Per Share**

The basic earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

	<b>Current Year Quarter 30.6.2019</b>	<b>Preceding Year Corresponding Quarter 30.6.2018 (Restated)</b>
Profit attributable to Owners of the Parent (RM'000)	150,155	205,694
Weighted average number of ordinary shares ('000)	7,675,302	7,918,645
Basic earnings per share (Sen)	1.96	2.60

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**Notes – continued**

**ii) Diluted Earnings Per Share**

The diluted earnings per share of the Group has been computed by dividing the profit attributable to Owners of the Parent by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

	<b>Current Year Quarter 30.6.2019</b>	<b>Preceding Year Corresponding Quarter 30.6.2018 (Restated)</b>
Profit attributable to Owners of the Parent (RM'000)	150,155 =====	205,694 =====
<i>Weighted average number of ordinary shares – diluted ('000)</i>		
Weighted average number of ordinary shares – basic	7,675,302 =====	7,918,645 =====
Diluted earnings per share (Sen)	1.96 =====	2.60 =====

\* *Total cash expected to be received in the event of an exercise of all outstanding ESOS is RM277.5 million. Accordingly, the Net Asset (NA) on a pro forma basis will increase by RM277.5 million resulting in a decrease in NA per share of RM0.01. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.*

**By Order of the Board**  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 29 August 2019